

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6753**

**BILL NUMBER:** HB 1241

**NOTE PREPARED:** Feb 14, 2007

**BILL AMENDED:** Feb 13, 2007

**SUBJECT:** Physician Assistants.

**FIRST AUTHOR:** Rep. Welch

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill authorizes a physician to delegate to a physician assistant duties that are within the supervising physician's scope of practice, including prescribing and dispensing drugs and medical devices. The bill requires that a supervising physician must be either: (1) physically present at the location where services are performed by the physician assistant; or (2) immediately available for consultation and not more than a specific distance from the location where services are performed by the physician assistant. It also establishes requirements for a physician assistant to prescribe drugs and administer moderate sedation and analgesia. It requires the patient to be seen by the physician in certain circumstances.

The bill changes references from certification to licensure of physician assistants. It also makes certain other changes concerning the Physician Assistant Committee and licensure of physician assistants.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** The Health Professions Bureau oversees the state regulation of physician assistants. The Bureau may incur additional expenses if physician assistants are granted prescriptive authority. The promulgation of rules related to this bill is expected to require the Bureau's Physician Assistant Committee to meet monthly in FY 2008 and bimonthly in FY 2009. (The Committee currently meets quarterly.) The Bureau has estimated the potential increased committee costs to be \$12,640 for the first year and \$6,320 for the second year. The Bureau may also experience an increase in telephone inquiries about the proposed changes. The bill would also require the Bureau to discard current controlled substance registration (CSR) applications and create new applications that include physician assistants. The forms currently are available on the Bureau's website. The Bureau may also see an increase in disciplinary actions filed against physician assistants if prescriptive authority is granted. This expense would be

dependent upon individual circumstances.

The funds and resources required above could be supplied through a variety of sources, including funds that otherwise would be reverted or from new appropriations. The Bureau reverted \$81,600 in FY 2005 and \$63,329 in FY 2006 to the General Fund. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**Explanation of State Revenues:** The proposal may affect the number of new applications and the amount of renewal fees the Bureau collects. The specific impact is indeterminable although the Professional Licensing Agency reports that granting prescriptive authority to physician assistants could attract more practitioners to the state. As of June 2006, there were 577 certified physician assistants with active licenses in Indiana. The Bureau estimates that this number could double in five years if prescriptive authority is granted. The cost for an initial application is \$100, and the biennial renewal cost of a license is \$50. Revenue collected from the physician assistant application and renewal fees for FY 2006 equaled \$40,630. These fees are deposited in the state General Fund.

Granting prescriptive authority to physician assistants would also increase the number of controlled substances registrations issued by the Board of Pharmacy. The cost of applications or the annual renewals for controlled substances registrations for practitioners is \$60. These fees are also deposited in the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Professional Licensing Bureau.

**Local Agencies Affected:**

**Information Sources:** Barbara McNutt, Chief Counsel, Indiana Professional Licensing Bureau.

**Fiscal Analyst:** Kathy Norris, 317-234-1360.